



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 30, 2011

S. 300 **Government Charge Card Abuse Prevention Act of 2011**

*As ordered reported by the House Committee on Oversight and Government Reform
on October 13, 2011*

S. 300 would require each executive branch agency to establish controls regarding the use of government credit cards issued to federal employees. The bill would require each agency's inspector general (IG) to assess the risk of illegal or improper credit card use and to conduct periodic audits to identify potentially fraudulent activities. The bill also would allow agencies to dismiss employees who are found guilty of misusing government credit cards.

CBO estimates that implementing S. 300 would cost less than \$500,000 a year, subject to the availability of appropriated funds. The bill also could affect direct spending by agencies not funded through annual appropriations, such as the Tennessee Valley Authority and the Bonneville Power Administration; therefore, pay-as-you-go procedures apply. CBO estimates, however, that any net increase in spending by those agencies would not be significant. Enacting S. 300 would not affect revenues.

Under current law, agencies are required to manage the use of government credit cards by establishing policies and procedures, conducting oversight, and penalizing unauthorized use of government cards. Most of the provisions of S. 300 would codify those current policies and practices. Based on information from the Office of Management and Budget (which sets procurement policy), the General Services Administration (the contract administrator for federal credit cards), and several agency IGs, CBO estimates that implementing the bill would lead to a small increase in the administrative costs to oversee the use of government charge cards.

S. 300 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

On April 26, 2011, CBO transmitted a cost estimate for S. 300 as ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on April 13, 2011. The two pieces of legislation are similar and CBO's estimated costs are the same.

The CBO staff contact for this estimate is Matthew Pickford. This estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.

